

# City of Cincinnati



BOARD OF TRUSTEES OF THE RETIREMENT SYSTEM

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## **Attention: Important Information About Your Prescription Drug Coverage For 2006**

August 1, 2005

Dear Retiree of the Cincinnati Retirement System:

As you may have heard, Medicare is adding a new prescription drug benefit – called Medicare Part D – beginning January 1, 2006. ***Please note that your prescription drug benefits will not change as a result of this new program and you do not need to do anything at this time.*** However, we want to keep you informed of this change to Medicare that may impact how you receive prescription drug coverage.

### **New Medicare Prescription Drug Benefit**

This new Medicare prescription drug benefit is a voluntary program designed to supplement Medicare Part A (hospital services) and Part B (medical services) with prescription drug coverage. In the fall you will begin receiving materials from the Center for Medicare and Medicaid Services (CMS), the Social Security Administration (SSA), and private insurers about this new benefit. It's important that you read this information carefully and share it with your family.

For most CRS retirees, the current prescription drug coverage offered by CRS provides a greater benefit at a lower cost than the Medicare Part D plans that will be offered through private insurers. However, there are certain low-income retirees that may want to consider enrolling in Medicare Part D based on special assistance they may receive from the government.

### **Special Benefits for Low-Income Medicare Recipients**

Low-income Medicare recipients may want to take a closer look at the Medicare Part D benefit. Why? That's because certain Medicare recipients may qualify for extra help with their prescription drug expenses. You qualify if your:

- Income, including Social Security, is less than \$14,355 (individual) or \$19,245 (couple), and
- Resources (including savings, stocks and bonds, but excluding your house and car) are less than \$11,500 (individual) and \$23,000 (couple).

The benefit from the low-income subsidy varies depending on your income and resources compared to the federal poverty level. In certain cases, you may not have to pay monthly premiums or deductibles, and you could pay as little as \$1 to \$3 in prescription drug copays.

The CMS and the SSA have identified these individuals and are sending – or may have already sent – a low-income assistance letter. If you receive a letter with an application, you will want to complete and return it. By doing so, you are simply helping the federal government to determine if you are eligible for the low-income assistance. Your eligibility for this benefit will impact your decision whether or not to enroll in Medicare Part D. Keep in mind that completing the form will *not* enroll you in Medicare Part D, and it will not affect your current CRS prescription drug coverage.

### **More Information Coming Soon**

In September, CRS will send you an information packet describing your CRS prescription drug benefits for 2006, the new standard Medicare Part D coverage, the low-income assistance available to certain retirees, and what you need to do, if anything.

Then in October, you'll receive more information about Medicare Part D from the CMS and SSA, as well as from private insurers encouraging you to purchase their Medicare Part D prescription drug products.

### **For More Information**

If you want to learn more about Medicare Part D, visit the Center for Medicare and Medicaid Services web site ([www.cms.hhs.gov](http://www.cms.hhs.gov)), or call 1-800-MEDICARE (1-800-633-4227). Hearing-impaired users can access toll-free TTY services at 1-877-486-2048.

If you have questions about the special assistance for low-income Medicare recipients, go to the Social Security web site (<http://www.socialsecurity.gov>) or call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).

Be sure to look for your information packet from CRS coming in September.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Radford".

V. Daniel Radford  
Chairman, CRS Board of Trustees